1898, § 57 *e*. And since the mortgagee proved his whole claim, he would seem to have waived his lien. *Ex parte Downes*, 1 Rose 96. Under similar provisions of previous bankruptcy acts, however, a secured creditor who proved his claim in ignorance of the effect was allowed to withdraw the proof and rely on the security. *Ex parte Harwood*, Fed. Cas. No. 6, 185; *In re Baxter*, 12 Fed. 72. Such a privilege should be given to the mortgagee in the present case, as from his assertion of the lien it is clear that he meant to keep it. Yet the principal case is right in holding that if the dividends on the claim are retained, the security is lost. *In re Lantzenheimer*, 124 Fed. 716.

BANKRUPTCY — PROVABLE CLAIMS — RIGHT TO PROCEEDS OF CONVERTED STOCK. — A broker converted stock belonging to his customer. At the time of his bankruptcy, other stock of the same kind was found in his possession. *Held*, that the customer is entitled to the stock as against the bankrupt's general creditors. *In re Brown & Co.*, 171 Fed. 254 (Dist. Ct., S. D. N. Y.).

A broker need not keep a customer's stock separate from that belonging to other customers or to himself. *Richardson* v. *Shaw*, 209 U. S. 365. *Contra, Van Voorhis* v. *Rea Bro. Co.*, 153 Pa. St. 19. But a broker must keep a sufficient number of shares of each kind of stock to meet all his outstanding obligations in that stock; otherwise he is guilty of a conversion. Nor will a re-purchase of the same kind of stock after the conversion relieve him from liability. *Taussig* v. *Hart*, 58 N. Y. 425. In the principal case, the re-purchase of the stock, even with the intention of appropriating it to the original customer, could not give the latter a right to it, especially since bankruptcy intervened. The result in the principal case should have been reached only if the funds which were produced by the broker's conversion and which he held as constructive trustee for his customer were capable of being followed into the new shares; upon this latter theory, the customer would have been protected by his equitable right to the new *res*. *Langton* v. *Waite*, L. R. 6 Eq. 165, 173; *In re Halletts Estate*, L. R. 13 Ch. 696, 711.

BANKRUPTCY — RIGHTS AND DUTIES OF BANKRUPT — PUNISHMENT FOR CONTEMPT. — A bankrupt appeared, by a preponderance of evidence, to be wilfully disobeying an order of the referee requiring him to surrender certain assets alleged to be in his possession. The court, however, was not satisfied beyond a reasonable doubt of the truth of these facts. *Held*, that it will not adjudge the bankrupt in contempt. *In re J. H. & A. P. Mize*, 22 Am. B. R. 577 (Dist. Ct., N. D. Ala., July, 1909).

For a discussion of the principles involved, see 23 HARV. L. REV. 30.

BANKRUPTCY — WHO MAY BE A PETITIONING CREDITOR — SPLITTING CLAIMS. — A made a general assignment for the benefit of his creditors. B, who held three notes made by A, thereupon endorsed two of them to C and D respectively, in order to qualify them as petitioning creditors. B, C, and D joined in a petition to have A adjudicated a bankrupt. *Held*, that C and D are not competent petitioners. *Re Lewis F. Perry & Whitney Co.*, 172 Fed. 745 (Dist. Ct., D. Mass.). See NOTES, p. 296.

BILLS AND NOTES — CHECKS — PAYMENT OF STOLEN CHECK SIGNED IN BLANK. — The defendant signed a check in blank and locked it up. It was stolen, and the plaintiff bank, on which it was drawn, cashed it. *Held*, that the defendant is liable for the amount of the check. *Trust Co. of America* v. *Conklin*, 42 N. Y. L. J. 793 (N. Y. Sup. Ct., Nov., 1909).

When a note is made to bearer, but not delivered by the maker, it is generally held that the latter is not liable even to a *bonâ fide* purchaser. *Burson* v. *Huntington*, 21 Mich. 415. *Contra, Shipley* v. *Carroll*, 45 Ill. 285. This result is based on the doctrine that delivery is an essential requisite of a valid note. It may be, however, that the maker's gross negligence will estop him from denying delivery.